

Indiana House of Representatives

News and Information

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PELATH CALLS FOR EMERGENCY DECLARATION

INDIANAPOLIS – State Rep. Scott Pelath called on Governor Mitch Daniels to declare an energy emergency for Indiana. Such a declaration would empower Indiana's attorney general to investigate complaints of gas price gouging throughout the state.

Earlier this week Daniels declared a "State of Disaster Emergency" which also should trigger the price gouging statute and allow the attorney general to initiate investigations. However, at a Friday morning news conference, Daniels said he was not sure his declaration would necessitate action by Carter.

Pelath said if Daniels won't ask Carter to pursue the investigations under the disaster emergency declaration, then a "State of Energy Emergency" should also be called.

"During these episodes of soaring gas prices, consumers need to know their government is closely watching the pumps," said Pelath. "If a citizen lodges a credible complaint of gas gouging, the governor should give the attorney general the power to investigate it."

Pelath said that widely-publicized allegations of fuel price gouging following the World Trade Center attacks on September 11, 2001 led the Indiana General Assembly to pass Public Law 124 in 2002. The statute, which was enacted with overwhelming bipartisan support, permits the Indiana Attorney General to investigate those who charge "unconscionable" amounts for fuel. However, before any formal queries may commence, the law first requires the Governor to proclaim that a "State of Energy Emergency" or "State of Disaster Emergency" exists.

"Last month, the average Indiana gasoline price was over two dollars a gallon. Last week, it already was over three," said Pelath. "As was seen in the 1970's, these costs can asphyxiate economic growth."

"Between the expected fuel shortages from Hurricane Katrina, the economic uncertainty of our nation, and the countless families who cannot keep up with energy costs, it sure seems like an emergency to those of us outside the oil business," Pelath continued. "As our citizens start to sacrifice for fuel, every step should be taken to ensure confidence in the honesty of our gasoline market."

Under Indiana law, "price gouging" is considered to have occurred if a gasoline price 1) exceeds local averages and 2) the higher price cannot be attributed to a gas station's replacement costs, taxes, or transportation costs. Proven violators face civil penalties, injunctions, and being required to make restitution to customers.

"The majority of gas retailers are fair and honest and deserve business," said Pelath. "Those few who would seek to exploit consumers deserve something else. At a minimum, they should know that the people and their elected leaders are keeping watch."

During the final week of August, the attorney general's office received more than 1,500 price gouging complaints.